

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES  
BILATERAL  
NEGOTIATED SERVICE AGREEMENT

Docket Nos.  
MC2010-12

MARKET DOMINANT PRODUCT PRICES  
CANADA POST – UNITED STATES POSTAL SERVICE  
CONTRACTUAL BILATERAL AGREEMENT FOR INBOUND  
MARKET DOMINANT SERVICES (MC2010-12)  
NEGOTIATED SERVICE AGREEMENT

R2010-2

**UNITED STATES POSTAL SERVICE MOTION FOR EXTENSION OF MARKET  
DOMINANT RATES UNDER NEGOTIATED SERVICE AGREEMENT**  
(December 27, 2011)

On Saturday, December 31, 2011, the market dominant rates negotiated between Canada Post Corporation (CPC) and the United States Postal Service (“Postal Service”) and classified in this docket will expire. Negotiations between the parties for new rates for the 2012-2013 period have been ongoing since August 2011. On November 18, final agreement on the inbound rates and material contract provisions was reached. The Postal Service then required a few additional days to complete its review of the financial models required to support a notice and request under 39 U.S.C. § 3622 to be prepared for filing. Section 3622 of Title 39 U.S.C. requires that notice be provided to the public 45 days in advance of any adjustment to the market dominant rates, including those established through a negotiated service agreement. 39 U.S.C. § 3622(d)(1)(C).

The Postal Service filed its notice for the new rates in PRC Docket R2012-5 on November 23, 2011. To satisfy the public notice requirement, the effective date for the

new market dominant rates cannot occur prior to January 7, 2012, which would leave a gap between the current rates in effect and those subject to PRC review for the next two year cycle of rate negotiation between Canada Post and the Postal Service. Therefore, the Postal Service respectfully requests that the Postal Regulatory Commission approve a brief extension of the existing inbound market dominant rates approved in this docket to maintain continuity of pricing and other terms and conditions applicable to the market dominant portion of the bilateral agreement currently in force.<sup>1</sup> The Postal Service requests that the existing terms and conditions applicable to the market dominant products, including the rates, be extended to the earlier of either (1) the effective date of the new bilateral agreement covering the 2012-2013 rate cycle, or (2) January 7, 2012.

Respectfully submitted,

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December 27, 2011

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<sup>1</sup> On December 21, 2011, the Postal Service and Canada Post concluded negotiations on an amendment to the current agreement to maintain southbound rates until such time as they have been reviewed favorably by the Commission or the 45-day notice period has passed, whichever is the later of these two events.